



Auditor of Public Accounts
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Edelen Releases Audit of Jackson Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Adam Edelen today released the audit of the 2011 financial statement of Jackson County Clerk Donald Moore. State law requires the auditor to conduct annual audits of county clerks and sheriffs.

The audit found that the clerk's financial statement presents fairly the revenues, expenditures, and excess fees of the Jackson County clerk in conformity with the regulatory basis of accounting.

As part of the audit process, the auditor must comment on non-compliance with laws, regulations, contracts and grants. The auditor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following comment:

The county clerk's office lacks adequate segregation of duties. As a result of our audit, we noted a lack of segregation of duties exists over receipts, expenditures, and reconciliation functions. Good internal controls dictate that the same employee should not handle, record, and reconcile receipts and disbursements due to the risk that misstatement due to error or fraud may occur and go undetected.

The bookkeeper handles the primary functions of each of these areas. The bookkeeper is responsible for receiving payments from customers, reconciling receipts at end of the day, and posting the receipts to the receipt ledger. In addition, the bookkeeper is responsible for processing payments made to vendors, signing checks, and reconciling the bank account.

It is recommended that the County Clerk segregate these duties to separate individuals or implement and document compensating control procedures as suggested below:

- The County Clerk could conduct surprise cash counts on a random basis to ensure all cash drawers balance properly. This could be documented by initialing the daily checkout sheet used to balance the cash drawers.
- The County Clerk could agree daily avis reports to the amounts recorded as receipts for usage tax, license fees, and tangible personal property tax. This could be documented by making note on the reports or initialing the daily checkout sheets or receipts ledger.
- The County Clerk could review all bank reconciliations and agree them to the ledgers and to the financial statements. This could be documented by initialing the bank reconciliations.
- The County Clerk could approve all expenditures by initialing invoices or being one of the two required signers on checks.

County Clerk's response: No response.

The county clerk's responsibilities include collecting certain taxes, issuing licenses, maintaining county records and providing other services. The clerk's office is funded through statutory fees collected in conjunction with these duties.

The [audit report](#) can be found on the auditor's website.

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The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

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